Press release

BioArctic receives MEUR 15 milestone payment from Eisai for start of BAN2401 confirmatory Phase 3 study in early Alzheimer's Disease

Stockholm, Sweden, May 20, 2019 – BioArctic AB (publ) (Nasdaq Stockholm: BIOA B) announced today that the company will receive a milestone payment of MEUR 15 from its partner Eisai for the achievement of the first patient being dosed in the global, single confirmatory Phase 3 study (Clarity AD) with BAN2401 in early Alzheimer´s disease.

Eisai is responsible for the clinical development of BAN2401, including this confirmatory Phase 3 study, and BioArctic is entitled to milestone payments and royalties. The total value of the payments to BioArctic under the collaborations can amount to MEUR 218 and in addition there are high single digit royalty payments. BioArctic has no development costs for BAN2401 in Alzheimer's disease. With the first patient dosed in the confirmatory Phase 3 study, BioArctic will receive the milestone payment of MEUR 15, which contributes positively to BioArctic's revenues in the second quarter of 2019. With this payment, BioArctic will have received MEUR 62 so far from Eisai.

"The start of patient dosing in the confirmatory Phase 3 study in early Alzheimer´s disease is a very important step in the development of BAN2401. The drug candidate has the potential to be a treatment that modifies the course of disease for early Alzheimer's disease patients and thus truly slows down its progression. For BioArctic, the milestone payment also means a substantial contribution to our finances," comments Gunilla Osswald, CEO, BioArctic.

This release discusses investigational uses of an agent in development and is not intended to convey conclusions about efficacy or safety. There is no guarantee that any investigational uses of such product will successfully complete clinical development or gain health authority approval.

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This information is information that BioArctic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, on May 20, 2019, 5:45 pm CET.

Notes to editors

About BAN2401
BAN2401 is a humanized monoclonal antibody that is the result of a strategic research alliance between BioArctic and Eisai. BAN2401 has a unique binding profile and selectively binds to neutralize and eliminate soluble, toxic amyloid-beta aggregates (protofibrils) that are thought to contribute to the neurodegenerative process in Alzheimer's disease. As such, BAN2401 has the potential to have an effect on the disease pathology and to slow down the progression of the disease. Eisai obtained the global rights to study, develop, manufacture and market BAN2401 for the treatment of Alzheimer's disease pursuant to an agreement concluded with BioArctic in December 2007. In March 2014, Eisai and Biogen entered into a joint development and commercialization agreement for BAN2401.

About the Clarity AD Phase 3 study
The Phase 3 study (named Clarity AD) is a global placebo-controlled, double-blind, parallel-group, randomized study in 1566 patients with early Alzheimer's disease i.e. mild cognitive impairment (MCI) due to Alzheimer's disease or mild Alzheimer's disease with confirmed amyloid pathology in the brain. Patients are allocated in a 1:1 ratio to receive either placebo or treatment. In the treatment group, BAN2401 will be administered at a dosage of 10 mg/kg twice a month. The primary endpoint is the change from baseline in the cognition and function scale Clinical Dementia Rating-Sum of Boxes (CDR-SB) at 18 months of treatment. Changes in the clinical scales AD composite score (ADCOMS) and AD Assessment Scale-Cognitive Subscale (ADAS-Cog) will be key secondary endpoints together with brain amyloid levels as measured by amyloid PET. After discussion with regulatory agencies and based on the results of the Phase 2b clinical study, Eisai has started the global, single confirmatory Phase 3 clinical study in early Alzheimer's disease to support a regulatory filing for BAN2401. According to Eisai, the final readout of the primary endpoint of the study is targeted for the middle of 2022.

About the collaboration between BioArctic and Eisai
Since 2005, BioArctic has long-term collaboration with Eisai regarding the development and commercialization of drugs for the treatment of Alzheimer's disease. The most important agreements are the development and commercialization agreement on the BAN2401 antibody, which was signed in December 2007, and the development and commercialization agreement on the antibody BAN2401 back-up for Alzheimer's disease, which was signed in May 2015. Eisai is responsible for the clinical development, application for market approval and commercialization of

the products for Alzheimer's disease. BioArctic has no development costs for BAN2401 in Alzheimer's disease.

About BioArctic AB
BioArctic AB (publ) is a Swedish research-based biopharma company focusing on disease-modifying treatments and reliable biomarkers and diagnostics for neurodegenerative diseases, such as Alzheimer's disease and Parkinson's disease. The company also develops a potential treatment for Complete Spinal Cord Injury. BioArctic focuses on innovative treatments in areas with high unmet medical needs. The company was founded in 2003 based on innovative research from Uppsala University, Sweden. Collaborations with universities are of great importance to the company together with its strategically important global partners in the Alzheimer (Eisai) and Parkinson (AbbVie) projects. The project portfolio is a combination of fully funded projects run in partnership with global pharmaceutical companies and innovative in-house projects with significant market- and out-licensing potential. BioArctic's B-share is listed on Nasdaq Stockholm Mid Cap (ticker: BIOA B). For more information about BioArctic, please visit www.bioarctic.com.

About Eisai Co., Ltd.
Eisai Co., Ltd. is a leading global research and development-based pharmaceutical company headquartered in Japan. Eisai defines their corporate mission as "giving first thought to patients and their families and to increasing the benefits health care provides," which Eisai calls their *human health care* (*hhc*) philosophy. With approximately 10,000 employees working across the global network of R&D facilities, manufacturing sites and marketing subsidiaries, Eisai strives to realize their *hhc* philosophy by delivering innovative products to address unmet medical needs, with a particular focus in our strategic areas of Neurology and Oncology.

Leveraging the experience gained from the development and marketing of Aricept®, a treatment for Alzheimer's disease and dementia with Lewy bodies, Eisai has been working to establish a social environment that involves patients in each community in cooperation with various stakeholders including the government, healthcare professionals and care workers, and is estimated to have held over ten thousand dementia awareness events worldwide. As a pioneer in the field of dementia treatment, Eisai is striving to not only develop next generation treatments but also to develop diagnosis methods and provide solutions. For more information about Eisai Co., Ltd., please visit www.eisai.com**.**